

Resolution 39-95

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$4,000,000 AGGREGATE PRINCIPAL AMOUNT OF BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT BONDS (PROJECTS OF 1994), SERIES 1995 AND \$120,000 AGGREGATE PAYMENT AMOUNT OF SUPPLEMENTAL INTEREST CERTIFICATES WITH RESPECT THERETO; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 1995 BONDS AND THE CERTIFICATES; APPOINTING A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 1995 BONDS AND THE CERTIFICATES AND APPROVING THE FORM OF AN AGREEMENT FOR SUCH BOND REGISTRAR AND PAYING AGENT; MAKING CERTAIN FINDINGS, CERTIFICATIONS AND COVENANTS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE SERIES 1995 BONDS AND THE CERTIFICATES AND APPROVING A BOND PURCHASE AGREEMENT AND AUTHORIZING ITS EXECUTION; RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; APPROVING A FORM OF OFFICIAL STATEMENT; AUTHORIZING THE CHAIRMAN TO EXECUTE THE OFFICIAL STATEMENT; AND AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT

WHEREAS, by the vote of a majority of the qualified electors of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District"), voting at a special bond election held in and for the District on March 8, 1994 (the "Election"), the issuance of \$19,400,000 aggregate principal amount of school improvement bonds of the District has been authorized; and

WHEREAS, the Governing Board of the District has requested this Board of Supervisors of Navajo County, Arizona (this "Board"), to issue (1) bonds in the aggregate principal amount of \$4,000,000 and (2) "B" supplemental interest certificates in the aggregate payment amount of \$120,000, in each case for the purpose of making school improvements in accordance with the authority granted at the Election; and

WHEREAS, the Governing Board of the District has received a bid from Rauscher Pierce Refsnes, Inc. (the "Underwriter"), and the District has requested that such bonds and certificates be sold through negotiation to the Underwriter;

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization.

(A) There is hereby authorized to be issued and sold a series of bonds of the District in the aggregate principal amount of \$4,000,000 to be designated "Blue Ridge Unified School District No. 32 of Navajo County, Arizona School Improvement Bonds (Projects of 1994), Series 1995" (the "Bonds"), to bear interest designated "A" interest, all in accordance with this Resolution and applicable law.

(B) There is hereby further authorized to be issued and sold in connection therewith "B" supplemental interest certificates designated as "Supplemental Interest Certificates" in the aggregate payment amount of \$120,000 (the "Certificates"), to bear interest designated "B" interest, all in accordance with this Resolution and applicable law.

(C) Unless specified or unless the context otherwise requires, all references herein to "interest on the Bonds" shall be deemed to include both "A" and "B" interest on the Bonds.

Section 2. Terms.

(A) (1) The Bonds shall be dated as of June 1, 1995.

(2) The Bonds shall (i) bear interest designated "A" interest at the respective rates from their date to the maturity or prior redemption of each Bond, payable commencing on January 1, 1996, and semiannually thereafter on July 1 and January 1 of each year (the "interest payment dates") and (ii) mature on July 1 in the years and the principal amounts, in each case as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Per Annum "A" Interest Rate</u>
1996	\$ 90,000	4.000%
1997	165,000	4.100
2010	1,280,000	5.375
2011	1,350,000	5.400
2012	1,115,000	5.500

(3) The Bonds shall be issued in the denomination of \$1,000 of principal amount or integral multiples thereof and only in fully registered form.

(4) The principal of and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the principal corporate trust office of the "Bond Registrar and Paying Agent" (as such term is hereinafter defined).

(5) Interest on the Bonds designated "A" interest shall be payable by check, dated as of the interest payment date, mailed to the registered owner thereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the fifteenth (15th) day of the month next preceding that interest payment date (the "regular record date"). Any "A" interest on a Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue "A" interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue "A" interest, and notice of the special record date shall be given to the registered owners of Bonds not less than ten (10) days prior thereto.

(6) Payment of "A" interest on the Bonds and, if adequate provisions for surrender are made, principal of and premium, if any, on the Bonds may be made by wire transfer upon two days' prior written request to the Bond Registrar and Paying Agent specifying the wire address in the continental United States by any registered owner owning an aggregate principal amount of at least \$1,000,000 of Bonds.

(7) The principal of and premium, if any, and "A" interest on the Bonds shall be payable in lawful money of the United States of America.

(B) (1) In addition to the "A" interest indicated above, the Bonds shall bear supplemental "B" interest during the interest accrual period, payable on the date and in the amount, in each case as follows:

<u>Interest Accrual Period</u>	<u>"B" Interest Payment Date</u>	<u>Amount of "B" Interest Payable on "B" Interest Payment Date</u>
June 27, 1995 through June 30, 1996	July 1, 1996	\$120,000

(2) Such "B" interest shall be represented by separate Certificates which shall be owned, transferred, and presented for payment separately from the Bonds and shall represent that portion of "B" interest on the Bonds coming due for the interest accrual period specified above which the registered owners thereof are entitled to receive.

(3) The Certificates shall be dated as of their initial date of delivery.

(4) The Certificates shall be issued in the denomination of \$1,000 of "B" interest due on the "B" interest payment date or integral multiples thereof and only in fully registered form.

(5) The "B" interest represented by the Certificates shall be payable in lawful money of the United States of America to the registered owner of each Certificate, upon presentation and surrender at the principal corporate trust office of the Bond Registrar and Paying Agent.

Section 3. Prior Redemption.

(A) The Bonds maturing before and on July 1, 1997, are not subject to redemption prior to maturity. The Bonds maturing on and after July 1, 2010, are subject to redemption prior to maturity, in whole or in part, on July 1, 2005, or on any interest payment date thereafter by the payment of a redemption price equal to the principal amount of each Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, 2005 and January 1, 2006	1.0%
July 1, 2006 and thereafter	0.0

(B) Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owner of the Bond or Bonds being redeemed at the address shown on the registration books maintained

by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any Bond for which notice was properly given.

(C) On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(D) The District may redeem any amount which is included in a Bond in the denomination in excess of, but divisible by, \$1,000. In that event, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Section 4. Security. For the purpose of paying the principal of, interest on (including that evidenced by the Certificates), premium, if any, on early redemption on and costs of administration of the registration and payment of the Bonds, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest, premium and administration costs of and on the Bonds and the Certificates as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. Taxes in an amount sufficient to pay the interest on all Bonds (including that evidenced by the Certificates) then outstanding, the installments of the principal of the Bonds becoming due and payable in the ensuing year, and the annual portion of such sinking fund as may be set up for retirement of the Bonds, shall be levied, assessed and collected as other taxes of the District. The proceeds of such taxes shall be kept in a special fund entitled the "Debt Service Fund" of the District and shall be used only for the payment of principal, interest, premium, if any, or costs as above-stated.

Section 5. Use of Proceeds. The net proceeds from the sale of the Bonds and the Certificates, after payment of the expenses of issuance, shall be set aside and deposited by the County Treasurer of Navajo County, Arizona (the "County Treasurer"), in a separate fund entitled the "Building Fund" of the District. This Resolution shall be construed as consent of this Board to invest

such funds, pending use, in any of the securities allowed by Section 15-1025, Arizona Revised Statutes, as amended. The proceeds of the Bonds and the Certificates shall be expended only for the purpose set forth in the ballot used at the Election.

Section 6. Form of Bonds and Certificates.

(A) Pursuant to Section 35-491, Arizona Revised Statutes, as amended, a fully registered bond form and certificate form, respectively, is adopted as an alternative to the form of bond provided in Section 15-1023, Arizona Revised Statutes, as amended. The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit A attached hereto. The Certificates (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit B attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds and the Certificates in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(B) The Bonds and the Certificates may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond and each Certificate shall show both the date of the issue and the date of authentication and registration of each Bond and each Certificate.

(C) The Bonds and the Certificates are prohibited from being converted to coupon or bearer Bonds or Certificates, respectively, without the consent of this Board and approval of Bond Counsel to the District.

Section 7. Execution of Bonds and Certificates.

(A) The Bonds and the Certificates shall be executed for and on behalf of the District by the President and attested by the Clerk of the Governing Board and countersigned by the Chairman of this Board. Any or all of such signatures may be by mechanical reproduction.

(B) If an officer whose signature is on a Bond or a Certificate no longer holds that office at the time such Bond or such Certificate is authenticated and registered, the Bond or the Certificate, as the case may be, shall nevertheless be valid.

(C) A Bond or a Certificate shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond or the

Certificate, as the case may be, has been authenticated and issued pursuant to this Resolution.

Section 8. Mutilated, Lost or Destroyed Bonds or Certificates. In case any Bond or any Certificate becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond or new Certificate, as the case may be, of like type, date, maturity and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or mutilated Certificate, as the case may be, or in lieu of and in substitution for such Bond or such Certificate, as the case may be, destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond or the Certificate, as the case may be, destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such Bond or such Certificate, as the case may be, was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes, as amended.

Section 9. Acceptance of Proposal.

(A) The proposal of the Underwriter for the purchase of the Bonds and the Certificates is hereby accepted, and the Bonds and the Certificates are hereby ordered sold to the Underwriter in accordance with the terms of the Bond and Certificate Purchase Agreement presented to this Board at this meeting (the "Bond and Certificate Purchase Agreement"). The execution of the Bond and Certificate Purchase Agreement on behalf of this Board by the Chairman of this Board is hereby approved, ratified and confirmed.

(B) The County Treasurer is hereby authorized and directed to cause the Bonds and the Certificates to be delivered to the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale.

Section 10. Official Statement. The distribution and use of the Preliminary Official Statement relating to the Bonds and the Certificates is in all respects hereby ratified, approved and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the Chairman of this Board is authorized and directed to approve, on behalf of this Board, a final Official Statement for use in connection with the offering and sale of the Bonds and the Certificates. The execution of a final Official Statement by the Chairman of this Board shall be conclusively deemed to evidence the approval of the status, form and contents thereof by this Board.

Section 11. Bond Registrar and Paying Agent.

(A) Initially, First Interstate Bank of Arizona, N.A. is appointed as initial Bond Registrar and Paying Agent with respect to the Bonds and the Certificates, and the County Treasurer is hereby authorized and directed to enter into a contract therewith covering such services. The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond and each Certificate.

(B) A Bond or a Certificate may be transferred on the registration books upon delivery and surrender of the Bond or the Certificate, as the case may be, to the Bond Registrar and Paying Agent, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond or the Certificate, as the case may be, to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond or the Certificate, as the case may be. No transfer of any Bond or any Certificate shall be effective until entered on the registration books.

(C) In the event of the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same type and maturity and of the authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(D) In the event of the transfer of a Certificate, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the authorized denominations for the aggregate amount of "B" interest which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(E) All costs and expenses of initial registration and payment of the Bonds and the Certificates shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond or such Certificate, as the case may be, for every subsequent transfer of a Bond or a Certificate, as the case may be, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other governmental charge be paid

before any such Bond or such Certificate, as the case may be, shall be delivered.

(F) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bond during a period beginning with the opening of business on the fifteenth (15th) business day next preceding any interest payment date and ending with the close of business on the interest payment date.

Section 12. Resolution a Contract. This Resolution shall constitute a contract between the District and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

Section 13. Federal Tax Law Covenants.

(A) In consideration of the purchase and acceptance of the Bonds and the Certificates by the registered owners thereof from time to time and of retaining the exclusion from gross income for federal income taxes of the interest income on the Bonds including that evidenced by the Certificates, and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the County covenants, and the appropriate officials of the County are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated with respect to applicable sections thereof (collectively, the "Code"), which would adversely affect in any respect such exclusion, including, particularly, but not by way of limitation, (i) to cause the Bonds to not be "private activity" bonds within the meaning of the Code (Section 141(a) of the Code), (ii) to cause the Bonds to not be "arbitrage bonds" within the meaning of the Code (Section 148(a) of the Code) or to not be valid "reimbursement bonds" for purposes of the Code if any proceeds of the sale of the Bonds are being used to reimburse prior expenditures (Section 1.150-2 of the Treasury Regulations), (iii) to comply with the provisions of the Code relating to rebate (Section 148(f) of the Code), (iv) to cause the Bonds not to be "federally guaranteed" within the meaning of the Code (Section 149(b) of the Code), (v) to make the required information filing pursuant to the Code (Section 149(e) of the Code), and (vi) to make the required expenditures so that the Bonds shall not be deemed to be "hedge bonds" within the meaning of the Code (Section 149(g) of the Code).

(B) This Board authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code.

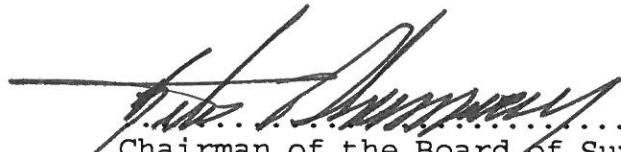
(C) This Board hereby designates the Bonds (including the interest thereon evidenced by the Certificates) as

"qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of Section 265(b) of the Code, and represents and warrants that the reasonably anticipated amount of "tax-exempt obligations" (other than "private activity bonds") which will be issued by this Board on behalf of the District during the 1995 calendar year will not exceed \$10,000,000.


Section 14. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. This Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds and the Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 15. Ratification of Actions. All actions of the officers and agents of the District and the County including this Board which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Bonds and the Certificates as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the County and the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the County and the District as may be necessary to carry out the terms and intent of this Resolution.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors
of Navajo County, Arizona, on June 12, 1995.

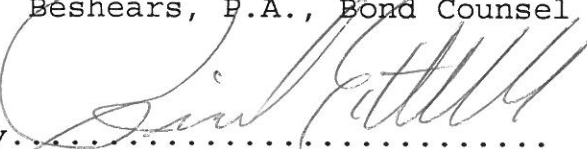

.....
Chairman of the Board of Supervisors
of Navajo County, Arizona

ATTEST:


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Clerk of the Board of
Supervisors of Navajo
County, Arizona

APPROVED AS TO FORM:

O'Connor, Cavanagh, Anderson,
Westover, Killingsworth &
Beshears, P.A., Bond Counsel


By.....
Richard E. Mitchell